

## UNITED STATES DISTRICT COURT

for the

Eastern District of Michigan

United States of America

v.

Hamed Awad,

Case: 4:22-mj-30458

Assigned To : Ivy, Curtis, Jr

Assign. Date : 10/21/2022

Description: IN RE SEALED MATTER (kcm)

## CRIMINAL COMPLAINT

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date(s) of February 2020-July 27, 2020 in the county of Genesee in the  
Eastern District of Michigan, the defendant(s) violated:

*Code Section**Offense Description*

18 U.S.C. § 922(a)(1)(A)

willfully engaged in the business of manufacturing firearms without a license

This criminal complaint is based on these facts:

There is probable cause to believe that Hamed Awad, not being a licensed manufacturer of firearms within the meaning of Chapter 44, Title 18, United States Code, has willfully engaged in the business of manufacturing firearms without a license in violation of 18 U.S.C. § 922(a)(1)(A) and 923(a).

☒ Continued on the attached sheet.

*Complainant's signature*Nathan Sutara, Special Agent, ATF*Printed name and title*

Sworn to before me and signed in my presence  
 and/or by reliable electronic means.

Date: October 21, 2022City and state: Flint, MI*Judge's signature*Curtis Ivy,


**AFFIDAVIT**

I, Nathan Sutara, being duly sworn, hereby depose and state as follows:

**INTRODUCTION AND AGENT BACKGROUND**

1. I have been employed as a Special Agent (S/A) with the Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF) since May 2018. I am currently assigned to the Detroit, Michigan Field Division, Flint Field Office. I am tasked with investigating violations of firearms and narcotics laws. As an ATF agent, I received 28 weeks of training related to firearm investigations. I also receive annual training regarding firearm laws. Before working with ATF, I was employed by the Michigan Department of State Police (MSP) for approximately 5 years. I held several positions with MSP, including Detective/Trooper with the Major Case Unit in Saginaw, Michigan. During this employment, I investigated numerous incidents involving robberies, shootings, and homicides as well as violations of state and federal firearms laws.

2. I make this affidavit based on my participation in this investigation, including witness interviews by myself and/or other law enforcement agents, communications with others who have personal knowledge of the events and circumstances described herein, and information gained through my training and experience. The information outlined below is provided for the limited purpose of

establishing probable cause and does not contain all details or all facts of which I am aware relating to this investigation.

3. Based on the facts below, I have probable cause to believe that from February 2020 until July 27, 2020, Hamed Awad willfully engaged in the business of manufacturing firearms without a license in violation of 18 U.S.C. § 922(a)(1)(A).

**PROBABLE CAUSE**

4. The ATF is conducting a criminal investigation into Adam's Gun Shop and Hamed Awad, for firearm-related offenses, including manufacturing firearms without a license.

5. The owner of Adam's Gun Shop is Hamed Awad. During the time period of February 2020 until July 27, 2020, Awad had a Type 01 - Dealer of Firearms Federal Firearms License # 4-38-049-01-OK-10045 and conducted business under the name Adam's Gun Shop located 3027 Linden Road, Flint, Michigan within the Charter Township of Flint in the Eastern District of Michigan.

6. Based on my training, experience and conversations with other experienced ATF agents and personnel, I know that there are different types of federal firearm licenses. A type 01 license allows a license holder to sell firearms only. A type 01 license does not give a license holder the legal authority to manufacture firearms. The federal Gun Control Act defines a manufacturer as "any person

engaged in the business of manufacturing firearms or ammunition for purposes of sale or distribution; and the term ‘licensed manufacturer’ means any such person licensed under the provisions of this chapter.” 18 U.S.C. § 921(a)(10). Manufacturing firearms includes assembling or altering firearms to increase the value of the firearm. Hamed Awad, doing business under Adam’s Gun Shop, only has a type 01 federal firearms license and is therefore prohibited from engaging in the business of manufacturing firearms. The Gun Control Act defines “engaged in the business” as it pertains to manufacturers of firearms as “a person who devotes time, attention, and labor to manufacturing firearms as a regular course of trade or business with the principal objective of livelihood and profit through the sale or distribution of the firearms manufactured.” 18 U.S.C. § 921(a)(21)(A). The Gun Control Act further defines “principal objective of livelihood and profit” to mean “that the intent underlying the sale or disposition of firearms is predominantly one of obtaining livelihood and pecuniary gain, as opposed to other intents, such as improving or liquidating a personal firearms collection.” 18 U.S.C. § 921(a)(23).

7. ATF first began investigating Hamed Awad and Adam’s Gun Shop in December 2019, and the investigation was related to other firearm offenses.

8. On February 21, 2020, as part of the ATF criminal investigation, Michigan State Police Task Force Officer Jim Swain and ATF S/A Ross conducted

an interview with a person I have identified here as Employee-1. Employee-1 stated he was a former employee of Adam's Gun Shop and worked at Adam's Gun shop from September 2017 to January 2018. Employee-1 stated that he worked with Hamed Awad. Employee-1 stated that the reason he left his employment at Adam's Gun Shop is because he felt Awad was doing "shady" business practices. Employee-1 explained that Awad was selling the Glock rifle conversion kit, and Employee-1 knew Glock rifle conversion kits were subject to the tax and registration requirements of the National Firearms Act. Based on my training and conversations with other ATF personnel, I am aware that a Glock pistol placed inside a rifle conversion kit with an installed rifle stock is classified as a short barrel rifle and regulated by the National Firearms Act which requires such firearms to be registered and subject to a tax. In addition, when a person places a Glock pistol inside a rifle conversion kit, the person is manufacturing a firearm in an attempt to increase the value of the firearm and thus make a profit. Employee-1 stated he approached Awad concerning Awad selling the Glock conversion rifles, and Awad pulled the rifles off the shelf. Employee-1 stated that Awad was also manufacturing AR-15s in his shop. Employee-1 again approach Awad and told Awad that Adam's Gun Shop did not have a manufacturing license and should not manufacture AR-15s.

9. As part of my investigation, in the month of June 2020, S/A Ross and

I spoke numerous times with an Adam's Gun Store employee who I will reference as Employee-2. Employee-2 was employed by Adam's Gun Shop for approximately six months. Employee-2 sought out ATF to report compliance issues at Adam's Gun Shop. Employee-2 previously held a type 01 federal firearms license in the state of Montana for approximately three years. Employee-2 understands the federal firearms laws and has been cooperating with law enforcement because he understands the seriousness of the violations he observed while employed at Adam's Gun Shop. Employee-2 told me that he wanted to stop working at Adam's Gun Shop. In order to facilitate the continued receipt of information regarding Adam's Gun Shop's illegal activities, the ATF paid Employee-2 to continue his employment and to continue providing information.

10. In June of 2020, Employee-2 told me that he observed Hamed Awad manufacture multiple firearms to sell them. Specifically, Employee-2 explained that Awad separately purchased AR lower receivers and AR upper receivers, which Awad then assembled at Adam's Gun Shop. I know that an AR-15 is comprised of a lower receiver and upper receiver to make a fully functioning firearm. The main components of an AR-15 lower receiver are the body of the firearm, pistol grip, trigger mechanism, and butt stock of the firearm. The main components of an AR-upper receiver are the barrel, bolt assembly, and ejection port. Based on my training and

experience, I am aware that the assembly of AR-style rifles from upper and lower receivers and other parts is considered manufacturing firearms. Employee-2 stated that on several occasions, he was directed by Hamed Awad to assemble firearms that would be sold for a profit, which Employee-2 believed was unlawful. Employee-2 told Awad that it was illegal to assemble AR-style firearms for profit based on the fact that Awad and Adam's Gun Shop only had a type 01 federal firearms license.

11. On July 7, 2020, S/A Dustin Hurt and S/A Ross conducted an interview with a person I will refer to as Witness-1. Witness-1 admitted that she purchased an AR pistol from Adam's Gun Shop right after she and her boyfriend went into the store and looked at it together. Witness-1's boyfriend had an active personal protection order filed against him and was prohibited from purchasing or possessing a firearm. Witness-1 said that her boyfriend told her that he liked the AR pistol and when they exited the store he threatened her in order to make her purchase it on his behalf. Witness-1 then went back into Adam's Gun Shop and purchased the AR pistol by herself just moments later. Following the interview, Witness-1 provided ATF with two firearms that she had purchased for her prohibited boyfriend. One of the firearms was a multi-caliber American Tactical Imports Omni Hybrid semiautomatic pistol with serial number NS154507, which was purchased from Adam's Gun Shop.

12. S/A Jonathan Wickwire obtained information about the multi-caliber American Tactical Imports Omni Hybrid semiautomatic pistol with serial number NS154507, which Witness-1 purchased from Adam's Gun Shop on March 14, 2020. S/A Wickwire made contact with an employee of American Tactical Inc., who informed S/A Wickwire that the Omni Hybrid receiver with serial number NS154507 was shipped to 2nd Amendment Wholesale, located in Grand Forks, North Dakota, on May 3, 2018. S/A Wickwire then made contact with an employee of 2nd Amendment Wholesale who said that they shipped the firearm receiver to Adam's Gun Shop of 1416 Flushing Road, Flushing, Michigan on December 26, 2018. On March 14, 2020, the above-mentioned receiver was sold by Adam's Gun Shop as part of a completed semiautomatic pistol. Based on my training and experience, I know it is common practice by firearm manufacturers to receive multiple parts from different companies and assemble them into a complete firearm to sell firearms for additional profit. As noted previously, however, neither Hamed Awad nor Adam's Gun Shop has a firearm manufacturer's license. As discussed above, based on my training and my discussions with other ATF personnel, I am aware that assembling AR-style firearms from AR upper receivers and AR lower receivers constitutes manufacturing and requires a separate manufacturing firearms license.



13. The following photographs depict the firearm purchased by Witness-1. As can be seen, the AR-lower receiver has been combined with an AR-upper receiver, which resulted in the manufacturing of a completed firearm.



14. Based on my review of ATF records, I am aware that the address 1416 Flushing Road, Flushing, Michigan mentioned in the above paragraph is the prior address that Adam's Gun Shop used to do business.

15. On July 16, 2020, an ATF special agent, acting in an undercover capacity, purchased two AR-15 style rifles from Adam's Gun Shop. The two firearms that were purchased were a Zaviar, model Z-15, multi-caliber rifle bearing serial number 200939 and a Palmetto State Armory, model PA-15, multi-

caliber rifle bearing serial number SCD612874. Both of the purchased firearms were chambered in .450 Bushmaster caliber. According to Employee-2, both of the AR-15 style rifles purchased by the undercover ATF agent were manufactured by or at the direction of Hamed Awad at Adam's Gun Shop.

16. On July 16, 2020, S/A Jonathan Wickwire, a firearms interstate nexus expert, examined the two purchased firearms. Special Agent Wickwire also researched the websites for Palmetto State Armory and Xavier Firearms. Based on publicly accessed information from the websites, neither manufacturer had completed .450 Bushmaster caliber rifles for sale. Both manufacturers are known to sell receivers, complete upper assembly kits, and complete firearms. According to Employee-2, the upper assembly kits were manufactured by Bear Creek Arsenal. S/A Wickwire accessed the Bear Creek Arsenal website and observed that they sell .450 Bushmaster caliber upper parts kits which appear similar in physical characteristics to the upper kits on the two purchased firearms.

17. On July 17, 2020, S/A Wickwire spoke with the owner of Xavier Firearms, regarding the Xavier, model Z-15 multi-caliber rifle with serial number Z200939 purchased by the undercover ATF agent. The owner of Xavier Firearms informed S/A Wickwire that the firearm was shipped to Adam's Gun Shop LLC as a 5.56mm caliber semiautomatic pistol. Therefore, the Xavier firearm was altered

and manufactured into a .450 Bushmaster caliber rifle.

18. On July 20, 2020, I was contacted by Employee-2 regarding Hamed Awad manufacturing AR-style pistols and rifles for sale at Adam's Gun Shop. Employee-2 advised S/A Sutara that Hamed Awad received a shipment of fifty Anderson Manufacturing AR-lower receivers, as well as a shipment of ten Bear Creek Arsenal upper AR-style receivers. Employee-2 stated Hamed Awad received the shipment at Adam's Gun Shop. Employee-2 further stated Hamed Awad began to manufacture these Anderson Manufacturing AR-style lower receivers by assembling them with Bear Creek Arsenal upper receivers at Adam's Gun Shop. Additionally, Employee-2 stated that Hamed Awad told Employee-2 to assist with assembling the AR-lower receivers with the AR-upper receivers in order to sell them. Employee-2 sent me the below photograph showing Hamed Awad at Adam's Gun Shop with the shipment of AR receivers on July 20, 2020.



19. Based on the facts and information received in the investigation and because Hamed Awad purchased so many lower receivers, there is reason to believe he was engaged in the business of manufacturing AR-style firearms to sell them for profit.

20. On July 23, 2020, S/A Ross sought and obtained a federal search warrant for Adam's Gun Shop located at 3027 Linden Road, Flint, Michigan.

21. On July 27, 2020, agents and personnel from the ATF Flint Office executed the search warrant at Adam's Gun Shop. During the execution of the warrant, ATF located and seized approximately four hundred ninety-three firearms, including pistols, revolvers, shotguns, rifles, and receiver/frames. Of the 493 firearms seized, approximately fifty were AR-lower receivers. Additionally, ATF

located and seized approximately eight AR-upper receivers. When speaking with Employee-2 following the execution of the search warrant, he confirmed those AR-lower receivers were being assembled with AR-upper receivers in order to sell them.

**CONCLUSION**

22. Based on the above information, I have probable cause to believe that Hamed Awad, not being a licensed manufacturer of firearms within the meaning of Chapter 44, Title 18, United States Code, has willfully engaged in the business of manufacturing firearms without a license in violation of 18 U.S.C. § 922(a)(1)(A) and 923(a).

Respectfully submitted,



Nathan Sutara  
ATF Special Agent

Sworn to before me and signed in my presence and/or by reliable electronic means on this 21<sup>st</sup> day of October, 2022.



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HON. CURTIS IVY, JR.,  
UNITED STATES MAGISTRATE JUDGE